

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FLP-81

1951-S

For: State and County Offices

**Releasing Debt and Loan Restructuring System (DALR\$) Version 6.3 Y2K
Software and Known System Limitations**

Approved by: Acting Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

DALR\$ Version 6.3 Y2K:

- is scheduled for release by the first week of October 1999 to all County Offices
- implements changes necessary to meet the Departmental standards for Y2K
- allows DALR\$ on the 3B2 platform to operate in 21st Century
- will convert DALR\$ version 6.3 data.

B

Purpose

This notice provides information about:

- implementing DALR\$ Version 6.3 Y2K software
- converted dates listed on the DALR\$ Date Exception Report
- the relationship between the date conversion report and data entry screens
- understanding data entry characteristics of the new software
- corrective action for any system limitations.

Continued on the next page

Disposal Date

October 1, 2000

Distribution

State Offices; State Offices relay to County
Offices

Overview (Continued)

C

Contact

If there are any questions about:

- installing or deinstalling software, or ORACLE/UNIX problems, contact the FSA National Help Desk, at 1-800-255-2434
- implementation and regulatory issues:
- County Offices shall contact State Offices
- State Offices shall contact Don Howard, LSPMD, Guaranteed Loan Servicing and Inventory Property Branch, at 202-720-1360.

The DALR\$ Forum on BBS can be used to discuss issues related to implementing the new DALR\$ software or regulatory concerns about DALR\$.

2 Changes to DALR\$

A

Installing

DALR\$

Version 6.3 Y2K

Software

DALR\$ Version 6.3 Y2K software must be installed on 3B2 and will update the DALR\$ Version 6.3 data.

Before installing DALR\$ Version 6.3 Y2K software the System Administrator should verify that the Airforce Y2K fix software has been installed. The System Administrator shall verify that the Airforce Y2K software has been installed according to the following table.

| Step | Action | Result |
|------|--|--|
| 1 | At the console terminal for the 3B2 logon as "root". | #> |
| 2 | Type: cd /usr/options <CR> | #> |
| 3 | Type: ls -l yr2000.name <CR> | -rw-rw-rw- 1 root other 43 Jan 13 1999 yr2000.name. #> Note: The file date may not be the same as this example. |

Continued on the next page

Notice FLP-81

2 Changes to DALR\$ (Continued)

A
Installing
DALR\$
Version 6.3 Y2K
Software
(Continued)

| Step | Action | Result |
|------|--|---|
| 4 | Type: cat /usr/options/yr2000.name <CR> | LUCENT 12AA 3.2.3 yr2000.patch Release 1.0 #> |
| 5 | If you don't see the line, " LUCENT 12AA 3.2.3 yr2000.patch Release 1.0 ", then you must install the software. This software was distributed with FLP Release No. 24. | |
| 6 | Logoff the console terminal. | Console Login |

All Field Offices receiving DALR\$ Version 6.3 Y2K software shall install the software immediately upon receipt. This software corrects calculation limitations associated with Y2K date problems. Existing data stored in DALR\$ Version 6.3 will be updated for proper date conversion to the 21st Century. After installation the DALR\$ Date Exception Report that identifies any dates that were converted during the installation will be generated.

Continued on the next page

2 Changes to DALR\$ (Continued)

B

Actions Taken After Installing Software

After installing the software the System Administrator shall complete the following actions.

| Report | Action | |
|------------------------------|---|--|
| DALR\$ Date Exception Report | Review report after installation. The date conversion report will provide a listing of dates that were converted to a new date by table and date field. If a date field is associated with an existing loan the report will provide borrower identification number, fund code and loan number, the date that was in the database and the new converted date. If the date field is associated to a net recovery property or prior lienholder then the report will provide the borrower identification number, property description, creditor's name, the date that was in the database and the new converted date. | |
| | IF the date conversion report... | THEN... |
| | lists dates under any of the date field sections | review each date and match the date with the associated date field and determine if the new converted date is appropriate. If the new date is not appropriate then the user must change the date through the DALR\$ data entry screen for the individual borrower. Refer to section 2 D, "DALR\$ Date Exception Report Data Entry Screens," for reference to the appropriate DALR\$ data entry screen and field locations. |
| | doesn't list any dates that were converted for any of the date fields | no action is necessary. |

Continued on the next page

2 Changes to DALR\$ (Continued)

C

Understanding Date Data Entry in the DALR\$ Input Screens

DALR\$ Version 6.3 allowed a date entry with a maximum of 8 characters. Particularly, the date could only be entered in a MM/DD/YY format. Additionally, only a 2-digit year could be entered. With this limitation the system utilized a 2-digit year conversion window that converted a 2-digit year in the range of 00 through 49 to an internal 4-digit date year as 2000 through 2049. The 8 character date format and the conversion functionality has been removed.

The new date entry format allows the user to enter a maximum of 10 characters. Possible date formats are in this table.

| Date Entry Formats Allowed | Displayed Date Format |
|----------------------------|-----------------------|
| M/D/YY | MM/DD/YYYY |
| M/DD/YY or MDDYY | MM/DD/YYYY |
| MM/D/YY | MM/DD/YYYY |
| MM/DD/YY | MM/DD/YYYY |
| MM/DD/YYYY or MMDDYYYY | MM/DD/YYYY |
| M/DD/YYYY | MM/DD/YYYY |
| MM/D/YYYY | MM/DD/YYYY |

Users are encouraged to always enter a 4-digit year using an 8 character, "M/D/YYYY" or 10 character "MM/DD/YYYY," format. However, if the user enters a 2-digit year format the system will automatically interpret a 2-digit year and convert it to a 4-digit year format as "YYYY". The conversion of the year date will be based on the system date year. The system date format will be interpreted according to this table.

| System Date Year Format | Displayed Date Format |
|-------------------------|-----------------------|
| M/D/19YY | MM/DD/19YY |
| M/D/20YY | MM/DD/20YY |

Therefore, if the user enters a 2-digit year as "04" and the system date is set for the 20th century the displayed year date would be "1904". Likewise, if the system date is set for the 21st century the displayed year date would be "2004".

Continued on the next page

Notice FLP-81

2 Changes to DALR\$ (Continued)

D

DALR\$ Date Exception Report and Data Entry Screens The DALR\$ Date Exception Report generated after installing the software references the table name and column name. The following table provides the table name and table column name found in the report and the associated data entry screen, actions, and screen field name.

| Table | Table Field | DALR\$ Data Entry Screen | Action and Data Entry Field |
|------------------|---------------------|--|--|
| Servicing Action | FHP Date | Basic Borrower Information Screen | Action: None Field: Date of Farm and Home Plan Used for the DALR\$ Analysis |
| Servicing Action | First Year Pay Date | Basic Borrower Information Screen | Action: None Field: For Restructured Loans, First Payment Due Date |
| Servicing Action | Request Date | Basic Borrower Information Screen | Action: None Field: Date Servicing Action Requested |
| Servicing Action | Servicing Date | Basic Borrower Information Screen | Action: None Field: Proposed Loan Servicing Date |
| WdWo Eligibility | WdWo Date | Basic Borrower Information Screen and Writedown/Writeoff Information Pop-up Screen | Action: "Has the Borrower Had a Previous Debt Forgiveness" field is used to access pop-up. This field must be set to "Y". Field: Date Writedown/Writeoff Processed will be displayed in pop-up. |

Continued on the next page

2 Changes to DALR\$ (Continued)

D
DALR\$ Date
Exception
Report and Data
Entry Screens
(Continued)

| Table | Table Field | DALR\$ Data Entry Screen | Action and Data Entry Field |
|-----------------|---------------|--|---|
| Existing Loan | Accrual Date | Existing Loan Screen | Action: None Field: Accrual Date |
| Existing Loan | Maturity Date | Existing Loan Screen and Maturity Date of the Promissory Note Date Pop-up Screen | Action: "Servicing Action" field is used to access pop-up. This field must be set to "D". Field: Maturity Date of the Promissory Note will be displayed in pop-up. |
| Existing Loan | Note Date | Existing Loan Screen | Action: None Field: Original Note Date |
| Reco Cost Item | Accrual Date | Existing Loan Screen and Recoverable Cost Items | Action: "RCI" field is used to access pop-up. This field must be "Y". Field: Accrual Date will be displayed in pop-up. |
| Loan Collateral | Filing Date | Net Recovery Property Screen and FSA Loans Secured Pop-up | Action: At "Loan Secured" field, PRESS "Shift F5" to access pop-up. Field: Date of Filing will be displayed in pop-up. |

Continued on the next page

2 Changes in DALR\$ (Continued)

D
DALR\$ Date
Exception
Report and Data
Entry Screens
(Continued)

| Table | Table Field | DALR\$ Data Entry Screen | Action and Data Entry Field |
|-----------------------------|-----------------|---|--|
| Prior Lien | Date Lien Filed | Net Recovery Property Screen and Prior Lien Holders Secured Pop-up. | Action: At "Prior Liens" field, PRESS "Shift F5" to access pop-up. Field: "Date Lien Filed" field is displayed in pop-up. |
| Discount Rate | Effective Date | Discount Rates Screen | Action: Screen accessed from Maintain/View Rates and Constants sub-Menu. Field: Effective Date |
| Interest Rate | Effective Date | Interest Rates Screen | Action: Screen accessed from Maintain/View Rates and Constants sub-Menu. Field: Effective Date |
| Interest rate Date | Effective Date | Effective Dates | Action: Screen accessed from Maintain/View Rates and Constants sub-Menu. Field: Effective Date |
| Net Recovery Constants Rate | Effective Date | Net Recovery Constants Screen | Action: Screen accessed from Maintain/View Rates and Constants sub-Menu. Field: Effective Date |

Continued on the next page

Notice FLP-81

2 Changes to DALR\$ (Continued)

E

Limitations Not Corrected by the Software

There are several system limitations that were not corrected by the software. Following is a description of the limitations and the appropriate corrective action.

| Limitation | Field | Cause | Corrective Action |
|---|---|--|--|
| Calculated maximum term available on the Existing Loan Screen could be incorrect. | "Promissory Note Maturity Date" field has an entry. | On the Existing Loan Screen, if the user enters a maturity date in the "Maturity Date of the Promissory Note" field for an existing FSA loan that has a servicing action code of "N", the maximum term available may not change. When the user enters a maturity date, DALR\$ will automatically calculate a new term for the "Maximum Term Available" field. The new term is calculated as remaining term for the note. However, if the existing term in the "Maximum Term Available" field is less than the new calculated remaining term the data will not change in the field. | The user should review the "Maximum Term Available," field to determine if the term shown is correct. If the term is not correct, then PRESS "F9" to erase the entry in the field. DALR\$ will recalculate the "Maximum Term Available" field after the user tabs to the next field. |

Continued on the next page

Notice FLP-81

2 Changes to DALR\$ (Continued)

E Limitations Not Corrected by the Software (Continued)

| Limitation | Field | Cause | Corrective Action |
|--|--|---|---|
| Calculated maximum term available on the Existing Loan Screen could be incorrect. (Continued) | "Original Note Date" field has an entry. | On the Existing Loan Screen, if the user enters an original note date in the "Original Note Date" field for an existing FSA loan that requires an original note date the "Maximum Term Available" may not change. When the user enters an original note date, DALR\$ will automatically calculate a new term for the "Maximum Term Available" field. The new term is calculated for the maximum term allowed by regulations for the particular loan type. However, if the existing term in the "Maximum Term Available" field is less than the new calculated maximum term the data will not change in the field. | The user should review the "Maximum Term Available" field to determine if the term shown is correct. If the term is not correct, then PRESS "F9" to erase the entry in the field. This will cause DALR\$ to recalculate the "Maximum Term Available" field after the user tabs to the next field. |
| Incorrect maximum term for loan type Operating Nonfarm (ON). | Maximum Term Available | On the Existing Loan Screen the "Maximum Term Available" field calculates the wrong term for fund code 44, loan type ON. The term should be 15 years instead of 7 years. | Change the loan type to Operating Loan (OL) in the "Loan Type" field. At the "Maximum Term Available" field, PRESS "F9" to clear field. PRESS "tab" to exit field to recalculate the maximum term. This will allow the default for 15 years to be shown. |

Continued on the next page

2 Changes to DALR\$ (Continued)

**E
Limitations Not
Corrected by the
Software
(Continued)**

| Limitation | Field | Cause | Corrective Action |
|---|--------------|---|---|
| Incorrect maximum new loan term for new loans with loan types; Operating Loan (OL), Operating Nonfarm (ON), or Operating Recreation (OR). | Term | On the New Loan Screen the "Term" field calculates the incorrect maximum new loan term for new loans with loan types; Operating Loan (OL), Operating Nonfarm (ON), or Operating Recreation (OR). The DALR\$ system defaults to a maximum term of 14 years. The maximum term should be 15 years. | No corrective action is available to correct this limitation. The term can be 14 years or less. |
| Incorrect maximum new loan term for new loans with fund code 43 and loan type, Emergency Operating (EO). | Term | On the New Loan Screen the "Term" field calculates the incorrect maximum new loan term for new loans with loan type Emergency Operating (OE). The DALR\$ system defaults to a maximum term of 40 years. The maximum term should be 20 years. | Maximum term should be 20 years. |

Continued on the next page

2 Changes to DALR\$ (Continued)

E
Limitations Not
Corrected by the
Software
(Continued)

| Limitation | Corrective Action |
|--|---|
| DALR\$ will not consider a write down without a figure entered into the "Adjust Balance Available for After Deferral" field. | <p>DALR\$ requires that a figure, positive or negative, be in the "Adjust Balance Available" field for after deferral on the Basic Borrower Information Screen before DALR\$ will consider writedown as a servicing option. This limitation is appropriate.</p> <p>FmHA Instruction 1951-S, 1951.909(4)(i) requires that all other primary loan servicing programs including deferral, or any combination shall be considered prior to the Agency considering a writedown. Therefore, it is appropriate for the DALR\$ system to require an amount in the "Adjusted Balance Available" field for after deferral before DALR\$ will consider writedown. If an amount is not entered in the "Adjusted Balance Available" field for after deferral, DALR\$ will not consider writedown. Field Offices are reminded that a figure should be entered in the field that is supported by a typical Farm and Home Plan.</p> |
| New Loan Authorized Limits - Adjust New Loan Amount Override | <p>In some cases, the amount of the new loan or the new annual operating loan for annual operating expenses (AOE) can exceed the authorized loan limits.</p> <p>Reminder: DALR\$ only validates the principal amount of existing FSA loans associated with the authorized loan limits based on the new loan type. The new loan limit feature in DALR\$ is a guide.</p> <p>The approval official is responsible for properly validating authorized loan limits as described by FSA regulations at the time of approval.</p> <p>Additionally, the user cannot override any adjustment to the new loan if the existing loan debt and new debt exceeds the limits. DALR\$ will make the appropriate adjustment to the new loan or delete the new loan if the user allows the system to make the adjustment.</p> |

Continued on the next page

2 Changes to DALR\$ (Continued)

E
Limitations Not
Corrected by the
Software
(Continued)

| Limitation | Corrective Action | |
|--|---|---|
| New Loan Authorized Limits - Adjust New Loan Amount Override (Continued) | If the user chooses not to allow the system to make the adjustment, then the cursor will return to the "Amount" field on the New Loan Screen or the "Principal" field on the Existing Loan Screen. The location of the cursor depends on where the user is at the time of the validation. At this point, the user is expected to manually adjust the new loan amount. The user can take the following action. | |
| | IF the cursor returns to the... | THEN... |
| | Existing Loan Screen | the existing loan that was entered will need to be deleted and the user should return to the New Loan Screen to adjust the new loans. After adjusting the new loans, the user should return to the Existing Loan Screen and complete the entry of the existing loans. |
| | New Loan Screen at the "Amount" field | the user can manually adjust the amount of the new loan or delete the loan. Once the manual adjustment is made to the new loans, the user can press the "page down" key to return to the Existing Loan Screen and continue to enter existing loans. |

Continued on the next page

2 Changes to DALR\$ (Continued)

E
Limitations Not
Corrected by the
Software
(Continued)

| Limitation | Corrective Action | |
|--|--|--|
| New Loan Authorized Limits - Adjusting the New Loan Amount Due to Payment To Be Received Override | <p>In some cases, the user may want to apply an expected payment, to be received at loan closing, to an existing FSA loan balance to meet the authorized new loan limits. This functionality does not exist in DALR\$.</p> <p>To incorporate this functionality, the user should adjust the existing principal and interest balance, assuming the payment is received on the proposed loan servicing date, appropriately when entering the existing loan. Document the adjustment according to the following.</p> | |
| | Step | Action |
| | 1 | The user should obtain a DL screen printout documenting the outstanding debt based on the proposed loan servicing date. The borrower should be instructed to bring the payment of \$X dollars on the proposed loan servicing date as a condition for the restructuring. The adjustment can then be easily calculated from the DL screen data, and the appropriate information can be entered into DALR\$. |
| | 2 | The DALR\$ report should have a notation attached indicating that the Agency expects to receive a payment in the amount of, by the proposed loan closing date, and appropriately applied to the account as a condition for the new loan(s) and the restructuring offer. The DL screen printout and calculations for the adjustment of the existing loan(s) should be attached to the detailed DALR\$ report in the case file and the DALR\$ report sent to the borrower. |
| | 3 | After the closing of the restructuring, the Field Office should document that the payment was appropriately applied by including a DL screen printout documenting the application of the payment that was received and applied to the Program Loan Accounting System to the detailed DALR\$ report. |
| | This allows DALR\$ to accurately reflect the account adjustment with the payment applied. | |

Continued on the next page

2 Changes to DALR\$ (Continued)

E
Limitations Not
Corrected by the
Software
(Continued)

| Limitation | Corrective Action |
|---|---|
| Amount of the proposed payment at full note rate on new FSA debt printed on the summary section of the DALR\$ Analysis report can be incorrect. | <p>No action is necessary. This is for information purposes only.</p> <p>On page 1 of the DALR\$ Analysis Report, the amount for "Proposed Payment at Full Note Rate on New FSA Debt" is not shown correctly. The amount shown is based on current program interest rates in effect as of the proposed loan servicing date. In some cases, new loans are eligible for limited resource rates and payment adjustment for those types of new loans are in section VI, "Rescheduling/Reamortizing Program Loans", subsection 3, "Rescheduling/Reamortizing Limited Resource Eligible Program Loans at Limited Resource Rates." If there is a negative change in the column, "Cash Flow Margin 1st Year," then the new loan, AOE or a term, will have a limited resource interest rate.</p> <p>The correct amount is the total of the amount shown under section "Proposed New FSA Loans Requested" for the item "1st Year Payment."</p> <p>This limitation does not impact the calculations or results.</p> |
| The wrong adjusted balance available is printed in the detailed section of the DALR\$ Analysis report. | <p>No action necessary. This is for information purposes only.</p> <p>In a DALR\$ outcome 1E report (second DALR\$ report) within the "Cash Flow Prior to Servicing Programs - First Year" table the "Cash Flow Margin" is incorrect. Additionally, the "Ratio of Balance Available To Payments Due" amount is incorrect.</p> <p>The system uses the wrong amount for "Adjusted Balance Available" to calculate the "Cash Flow Margin" in the 1E outcome report. The "Adjusted Balance Available" used is the amount from the first report and not the second report. In the 1E outcome report, the system should have used the "Adjusted Balance Available" from the 1E report that has the cash improvement amount added to it instead of the "Adjusted Balance Available" from the first report that offers buyout or debt settlement.</p> <p>This limitation does not impact the calculations or the result.</p> |

Continued on the next page

2 Changes in DALR\$ (Continued)

E
Limitations Not
Corrected by the
Software
(Continued)

| Limitation | Corrective Action |
|---|---|
| Printed dates in the DALR\$ Analysis Report | <p>No action is necessary. This is for information purposes only.</p> <p>The date format shown in the DALR\$ Analysis report will be MM/DD/YY. The report will only print 2-digit year format. To determine which century the date is referencing the user needs to look at the date in the “Date Prepared” field located in the header of each page. If the year is greater than the current year most likely the century is the 20th Century (1900). If the year is less than the current year most likely the century is the 21st Century (2000).</p> <p>This limitation does not impact the calculations or results.</p> |
| Unequal Payments not printed in the input section of the DALR\$ Analysis report | <p>In some cases, if an existing FSA loan has unequal payments the input information doesn’t print in the input section of the DALR\$ Analysis report the first time a detailed DALR\$ Analysis report is generated. However, if the user generates a second detailed DALR\$ Analysis report the unequal payments will be printed in the input section of the report.</p> <p>This limitation does not impact the calculations or results.</p> |
| Cash flow margin for after deferral year is printed as a negative \$1.00 in the detailed section of the DALR\$ Analysis report. | <p>No action is necessary. This is for information purposes only.</p> <p>If DALR\$ finds a feasible plan with a deferral, regular deferral only, the cash flow margin is a negative \$1.00 for “After Deferral Period” in Section III, Servicing Information, subsection 2, What Did Primary Loan Service Programs Do To Your Total Debt Payments?, of the detailed section of the DALR\$ Analysis report. When DALR\$ finds a feasible plan with a deferral the summary section and detail section identifies the cash flow margin for after deferral year to be a negative \$1. This is a rounding issue. A feasible plan for after the deferral period is found with a zero (0) cash flow or greater.</p> <p>This limitation does not impact the calculations or results.</p> |

Continued on the next page

2 Changes in DALR\$ (Continued)

**E
Limitations Not
Corrected by the
Software
(Continued)**

| Limitation | Corrective Action |
|---|--|
| <p>The filing date for prior lienholders for property types NIP, NER, and NEC are not printed in the net recovery property section of the DALR\$ Analysis report.</p> | <p>No action is necessary. This is for information purposes only.</p> <p>The Net Recovery Property Section of the detail DALR\$ Analysis report doesn't print the filing date of the prior lien holder(s), but instead prints "N/A". However, the filing date for a prior lien holder(s) can be found under Section III, Servicing Information, subsection 3, FSA Loan Security Priority Calculation, Input Data. The filing date for each prior lien holder is printed under the "FSA Filing Date" column.</p> <p>This limitation does not impact the calculations or results.</p> |
